

Customs Bulletin

Regulations, Rulings, Decisions, and Notices
concerning Customs and related matters



and Decisions

of the United States Court of Appeals for
the Federal Circuit and the United
States Court of International Trade

Vol. 22

OCTOBER 5, 1988

No. 40

This issue contains:

U.S. Customs Service

General Notice

THE DEPARTMENT OF THE TREASURY
U.S. Customs Service

NOTICE

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U.S. Customs Service

General Notice

19 CFR Part 24

CURRENT IRS INTEREST RATE USED IN CALCULATING INTEREST ON OVERDUE ACCOUNTS AND REFUNDS

AGENCY: Customs Service, Department of the Treasury.

ACTION: Notice of calculation of interest.

SUMMARY: The Tax Reform Act of 1986 established a new method of determining the adjusted rate of interest on applicable overpayments or underpayments of Customs duties. The new method provides a two-tier system based on the short-term Federal rate and is adjusted quarterly. This notice advises the public that the interest rates, as set by the Internal Revenue Service, will be 11 percent for underpayments and 10 percent for overpayments for the quarter beginning October 1, 1988. It is being published for the convenience of the importing public and Customs personnel.

EFFECTIVE DATE: October 1, 1988

FOR FURTHER INFORMATION CONTACT: Robert B. Hamilton, Jr., Revenue Branch, National Finance Center, U.S. Customs Service, 6026 Lakeside Boulevard, Indianapolis, Indiana 46278 (317) 298-1245

SUPPLEMENTARY INFORMATION:

BACKGROUND

By notice published in the Federal Register on January 5, 1987 (52 FR 255), Customs advised the public that the Tax Reform Act of 1986 (Pub. L. 99-514), amended 26 U.S.C. 6621, mandating a new method of determining the interest rate paid on applicable overpayments or underpayments of Customs duties. The new method provides a two-tier system based on the short-term Federal rate. As amended, 26 U.S.C. 6621 provides that the interest rate that Treasury pays on overpayments will be the short-term Federal rate plus 2 percentage points. The interest rate paid to the Treasury for underpayments will be the short-term Federal rate plus 3 percentage points. The rates will be rounded to the nearest full percentage.

The interest rates are determined by the Internal Revenue Service on behalf of the Secretary of the Treasury based on the average market yield on outstanding marketable obligations of the U.S. with remaining periods to maturity of 3 years or less and are to fluctuate quarterly. The rates are determined during the first month of a calendar quarter and become effective for the following quarter.

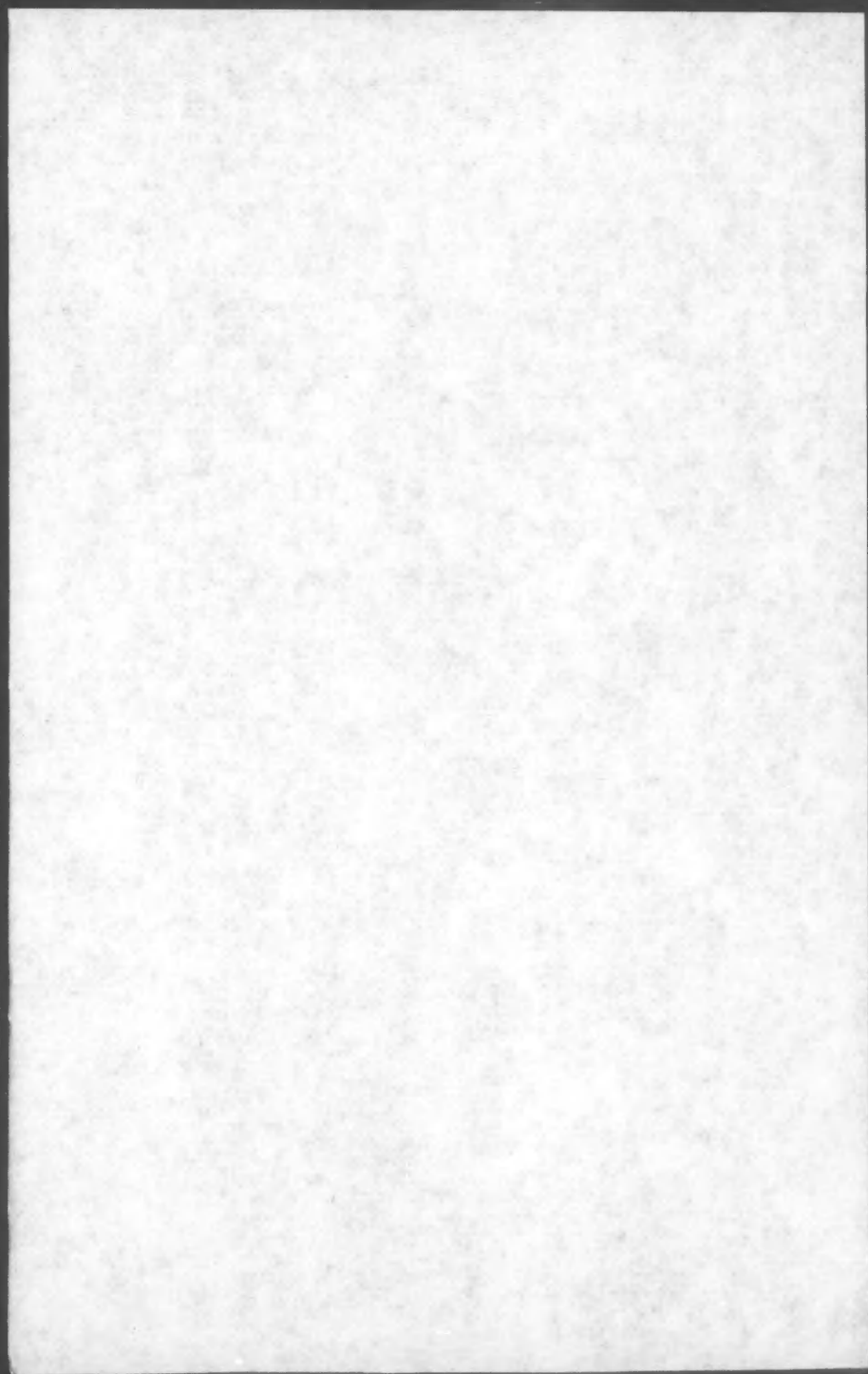
DETERMINATION

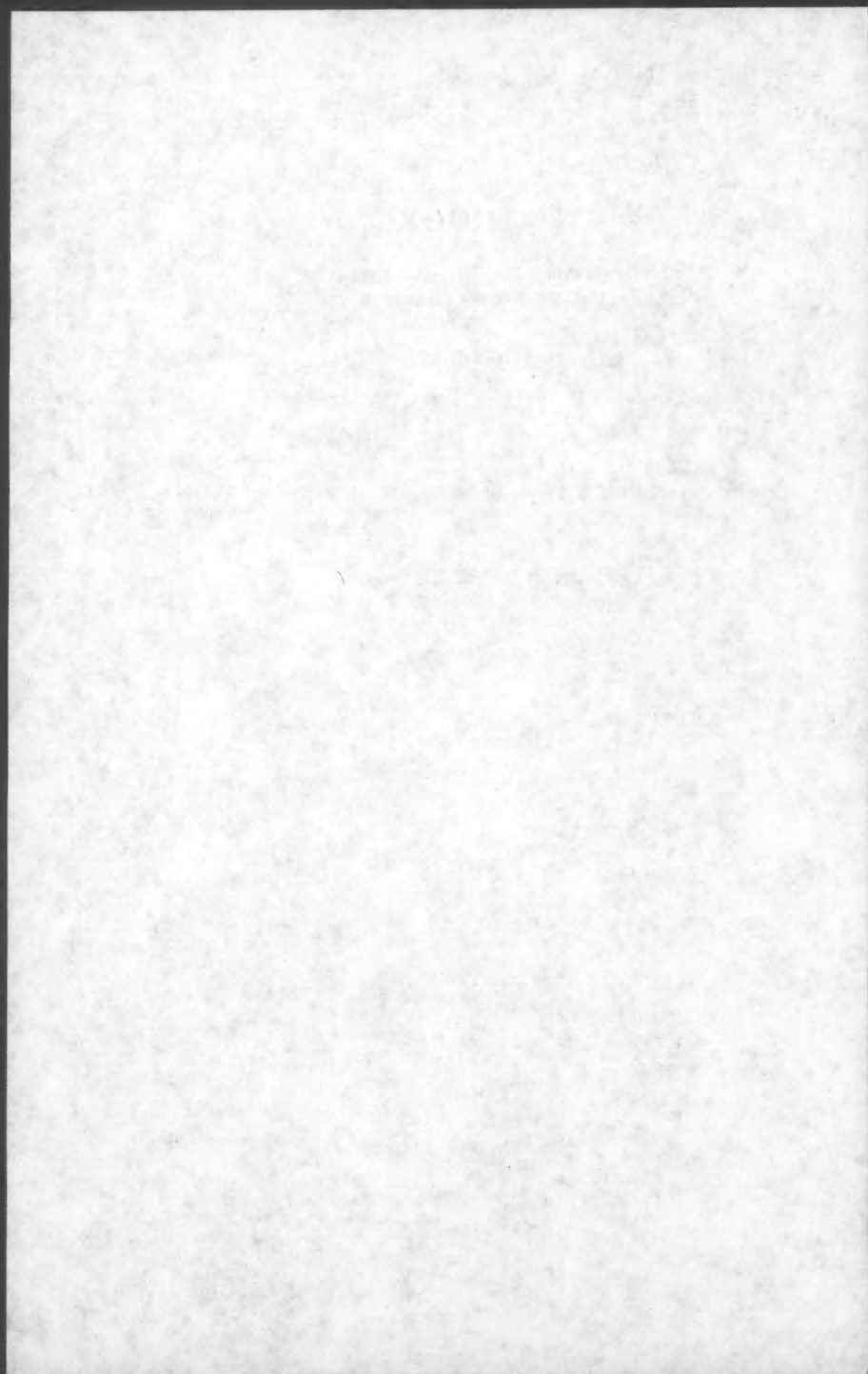
It has been determined that the rates of interest for the period of October 1, 1988–December 31, 1988 are 11 percent for the underpayments and 10 percent for overpayments. These rates will remain in effect through December 31, 1988, and are subject to change on January 1, 1989. They will remain in effect until changed by another notice in the Federal Register.

Dated: September 13, 1988.

WILLIAM VON RAAB,
Commissioner of Customs.

[Published in the Federal Register, September 22, 1988 (53 FR 36785)]





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